



# Tennessee Economic Update

January 28, 2016

## Summary

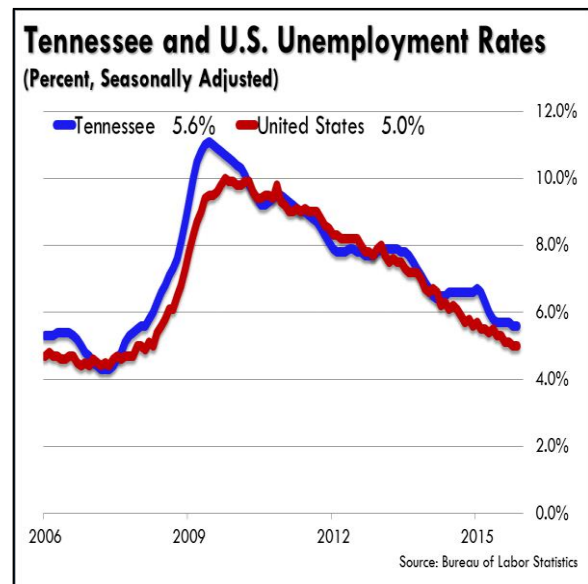
Nonfarm payroll employment in Tennessee increased by 22,100 jobs and the unemployment rate increased to 5.6 percent in December according to data released by the Bureau of Labor Statistics (BLS).

## Tennessee Unemployment Rate

During December, the unemployment rate in Tennessee increased to 5.6 percent. The number of people counted as unemployed increased by 3,500 in December to 173,100, while the labor force increased by 25,400 to 3,082,800.

The 10-year peak for the unemployment rate in Tennessee was 11.1 percent in June 2009. The series high for the unemployment rate in Tennessee occurred in January 1983 when the unemployment rate reached 12.9 percent. The 10-year low for the unemployment rate in Tennessee was 4.3 percent in May 2007. The series low for the unemployment rate in Tennessee occurred in March 2000 when the unemployment rate reached 3.7 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 5.0 percent in December. December's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2006.



## Tennessee Payroll Employment

Tennessee nonfarm payrolls increased by 22,100 jobs, or 0.67 percent, on a seasonally adjusted basis during December. In the prior month, nonfarm payrolls increased by 19,400. Over the past 12 months nonfarm payrolls in Tennessee increased by 64,900, or 2.3 percent. Tennessee nonfarm payroll employment has increased in 10 of the past 12 months.

Nationally nonfarm payrolls rose by 292,000 in December, or 0.21 percent. Over the 12-month period ending in December 2015 nonfarm payrolls have increased by 2,650,000 jobs, or 1.9 percent.

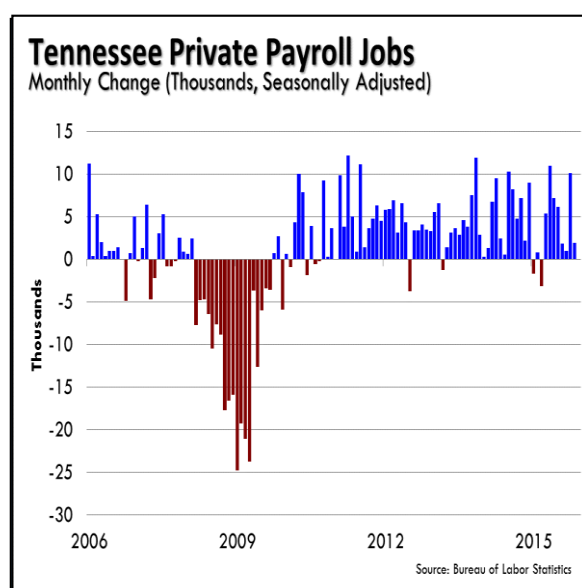
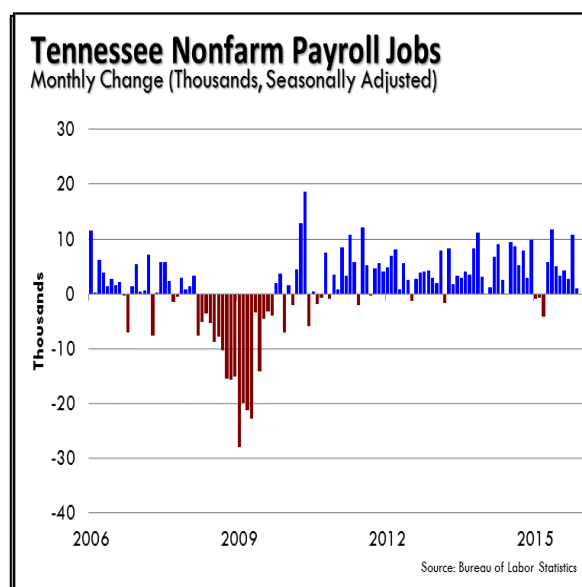
During December, Tennessee private-sector payrolls increased by 17,400, or 0.7 percent. Private-sector payrolls increased by 6,800 jobs in the prior month. Over the past 12 months, private-sector payrolls in Tennessee increased by 64,400, or 2.66 percent. Tennessee private-sector payroll employment has increased in 10 of the past 12 months.

Nationally, private-sector payroll jobs increased by 275,000 in December, or 0.23 percent. Over the past 12 months, the nation's economy has added 2,551,000 jobs in the private sector, an increase of 2.1 percent.

During December, total government payroll employment in Tennessee increased by 2,000, or 0.47 percent. Federal government payroll employment increased by 500. State government payroll employment increased by 1,200, or 1.24 percent, while local government payroll employment increased by 300, or 0.11 percent.

Over the past year, total government payroll employment increased by 1,500, or 0.35 percent. State government payroll employment increased by 1,300, or 1.34 percent. Local government payroll employment increased by 900, or 0.32 percent.

The best performing sectors on a seasonally adjusted basis during December were Trade, Transportation, and Utilities (5,400) and Professional and Business Services (4,700). The



poorest performing sectors during the month were Financial Activities (-1000) and Information (-300).

The best performing sectors during the last twelve months were Trade, Transportation, and Utilities (+21,700) and Professional and Business Services (+12,600). The poorest performing sectors for the year were Information (-2,000) and Other Services (-600).

### Other Tennessee Labor Force Statistics

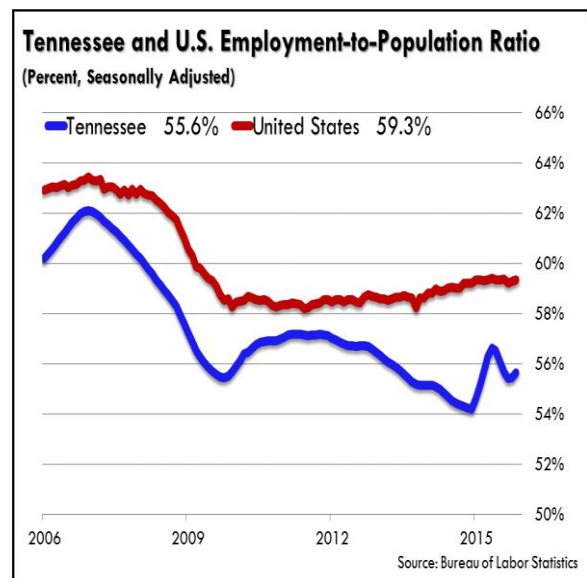
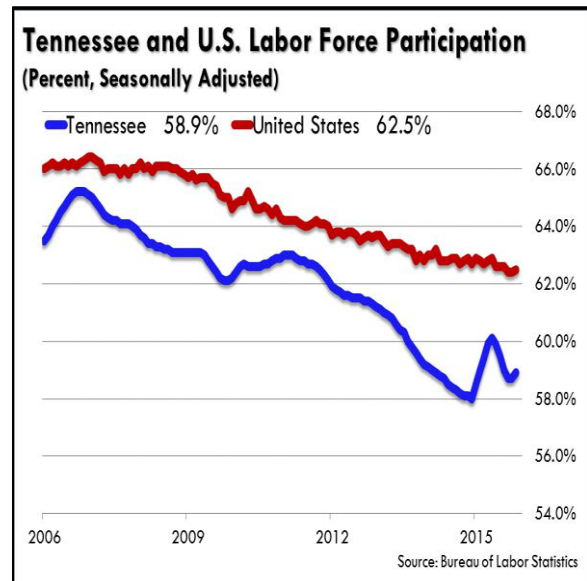
The labor force participation rate in Tennessee increased to 59.4 percent in December. The labor force participation rate in Tennessee is 1.4 higher than a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10-year high for the labor force participation rate in Tennessee was 65.2 percent in November 2006. The series high for the labor force participation rate in Tennessee occurred in January 1995, when the labor force participation rate hit 67.4 percent. The 10-year low for the labor force participation rate was 58 percent in December 2014.

The national labor force participation rate increased to 62.6 percent in December. That rate was 0.1 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate remains near its post-recession low.

The employment-to-population ratio, or the percentage of the Tennessee civilian noninstitutionalized population 16 years and older counted as employed, increased by 0.4 percent in December.

The 10-year high for the employment-to-population ratio in Tennessee was 62.1 percent in December 2006. The series high for the employment-to-population ratio in Tennessee occurred in January 1995 when the employment-to-population ratio hit 64.3 percent. The 10-year low for the employment-to-population ratio was 54.2 percent in



December 2014. The series low for the employment-to-population ratio occurred in January 1983 when the employment-to-population ratio hit 53.8 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.5 percent in December. That rate was 0.3 percentage point higher than a year earlier, and 0.1 percentage point higher than it was when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for January is scheduled for release on March 14<sup>th</sup>. The national employment situation report for January will be released on Friday, February 5<sup>th</sup>.